

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees

September 11, 2014 – 1:00 p.m.

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2016) - via telephone

THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016) – via telephone

PETER AMONS, Employee Representative (term expiring July 1, 2016) – via telephone

DAVID ROWLEE, Employee Representative (term expiring July 1, 2014) – via telephone

ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

None

Also attending:

Laurie Lanphear, Director of Retirement Operations

Joshua McCormick, assistant to Tina Kawecki

The Chairperson, Steven Jeffrey, called the Thursday, September 11, 2014 meeting to order at 1:00 p.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of August 7, 2014

On motion by Mr. Amons, seconded by Mr. Golonka, the Board unanimously voted by roll call to approve the minutes of August 7, 2014, as submitted.

ITEM 2: Discuss/Act on Disability Retirement for

Richard Benoit

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board voted unanimously by roll call to accept the recommendation of the Medical Review Board for the disability retirements for Richard Benoit, with a one year review.

ITEM 3: GASB 67/68 RFP Update

Ms. Pearce stated that David Driscoll expects to complete the GASB 67 accounting pension liability, minus the asset piece by the end of September. She then explained that 2013 census data is being rolled over to 2014 and adjusted for any benefit changes. This is a general practice being used across the country due to census data audit time frames. If we were to use 2014 data, the project would fall behind. Ms. Pearce stated that she expects that our financials will be completed on time by 9/15/14 and will be able to send after a few days of review by finance and management.

Based on the previously stated work plan, the financial statement process for GASB 67 should be completed by early October. Ms. Pearce then stated that for the first time, there will be a report in the municipal system that uses entry age normal, fair market value, and an "apples to apples" comparison for funding positions. However, it will not include any recommendations on funding. The funding policy will remain the same based on statutes and policies.

Ms. Pearce then addressed the RFP issued for the audit. The 2013 data will need to be audited due to recently issued requirements from the AICPA. The audit would only deal with changes from fiscal year 2012 to 2013 which will be easier. Ms. Pearce stated that 6 firms have submitted proposals for the GASB 67 census data audit. Ms. Pearce is recommending the Sullivan, Powers in connection with Melanson Heath firm, as they have significant coverage and experience with municipalities, as well as familiarity with public pension plans. Ms. Pearce also recommends the board pre-qualify Gallagher Flynn as well as Graham and Graham in the event additional resources are needed.

On motion by Mr. Amons, seconded by Mr. Golonka, the Board voted unanimously by roll call to adopt the recommendation from Ms. Pearce to enter into contract with Sullivan Power's & Company, LLP in connection with Melanson, Heath & Company, PC, as well as pre-qualifying Gallagher Flynn and Company, LLP and Graham and Graham, PC.

ITEM 4: Any other business to come before the Board

Mr. Jeffrey stated that he received an email from Mr. McCormick about finding or making a resource pertaining to meeting guidelines. They will see if this is something that can be presented in a future meeting.

Ms. Pearce stated that Mr. McCormick will be sending out messages to all three boards to set a date and time for a meeting with the actuaries for the week of October 27th.

ITEM 5: Adjournment

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board unanimously voted by roll call to adjourn at 1:21 p.m.

Next Meeting Date:

None at this time.

Respectfully submitted,

Tina Kaweck
Secretary to the Board